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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Amendment of the Commission's
Rules To Permit Flexible Service
Offerings in the Commercial
Mobile Radio Services

WT Docket No. 96-6

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REPLY COMMENTS OF NORTHERN TELECOM INC.

Northern Telecom Inc. ("Nortel") hereby replies to some of the comments on the Commission's Notice of Proposed Rulemaking to allow broadband Commercial Mobile Radio Service ("CMRS") providers to offer fixed wireless local loop services.¹ In its initial comments, Nortel supported the proposal to allow broadband CMRS providers to offer fixed wireless local loop services because such authority would provide additional flexibility to CMRS providers and clarify the ambiguity that exists today over the extent to which different wireless services providers could offer fixed services. Nortel further observed that in order to realize the full potential of wireless networks, the Commission should also begin to consider allocating additional spectrum dedicated to fixed wireless access services.

¹ Amendment of the Commission's Rules To Permit Flexible Service Offerings in the Commercial Mobile Radio Services, FCC 96-17, released January 25, 1996 (hereafter "NPRM").

Many of the initial filings of the other commenters addressed the need for "regulatory parity", both as it affects access to spectrum² and the degree of regulatory oversight that will apply to CMRS carriers providing fixed services vis-a-vis wireline carriers providing fixed services.³ As a general matter, Nortel supports regulatory parity. That is, the Commission should strive to ensure that any differences in regulation as applied to different sets of competitors do not distort the marketplace. Rather, regulation should only intervene when there are marketplace imbalances or failures, and any such regulation should be aimed at promoting the public interest. Regulation should not favor any set of competitors. Ideally, it should be the consumers (and not the regulators) who decide how the consumers' needs are best met.

In that regard, Nortel believes that fixed wireless local loop services offered by CMRS providers are not identical substitutes for wireline services. Although it may be possible to engineer CMRS-provided fixed wireless local loop services to have somewhat better performance than that provided by many of today's analog cellular systems, those performance standards are unlikely to match the capabilities of conventional "copper" wireline systems. Nortel believes, however, that with a separate, additional allocation of spectrum for fixed wireless local loop

² The Commission's Rules currently limit the amount of PCS spectrum that a cellular carrier may acquire. 47 C.F.R. § 24.204.

³ The incumbent wireline carriers are typically subject to significantly more regulatory constraints than CMRS providers. See generally Comments of NYNEX.

services, it will be possible to offer wireless services that are fully-equivalent to wireline offerings.

Attached to these Reply Comments is Table 1, which illustrates the capabilities of such a dedicated wireless fixed local loop offering compared to typical cellular standards.

Nortel believes that for some consumers, fixed wireless local loop services provided by CMRS carriers will likely meet their needs. Nortel thus continues to urge the Commission to provide CMRS operators with the flexibility to provide such fixed services. At the same time, Nortel believes, based on its experience in other countries, that there will still be a significant demand for fully wireline-equivalent wireless services.

Nortel thus advocates that the Commission adopt the suggestion in the NPRM to allow CMRS providers the flexibility to provide fixed wireless local loop services, but that the Commission additionally begin proceedings to allocate separate spectrum for fixed wireless local loop services. Nortel will gladly work with the Commission to identify suitable spectrum for

such an allocation,⁴ and to develop technical rules to apply to such services.

Respectfully Submitted,



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⁴ In this regard, Nortel observes that at the recent CITEL meetings held in Paraguay, Permanent Consultative Committee adopted a Draft Decision PCC.III, which identified spectrum for Fixed Wireless Access ("FWA") services in the Americas. That document includes suggested allocations for FWA in the 825-894 MHz and the 1850-1990 MHz bands on a co-primary basis, and also identifies the 3.4-3.7 GHz band.

TABLE 1

	Dedicated Fixed Wireless Local Loop	Mobile Cellular
Voice Quality	up to 64 kb/s coding	less than or equal to 16 kb/s coding
Fax/Modem Data Rates	28.8 kb/s and above	less than or equal to 9.6 kb/s
Digital Data Rates	64 kb/s and above, including ISDN BRA (2B+D)	less than or equal to 9.6 kb/s
T1/E1 Delivery	Fractional or Full	Not Available
PBX, Centrex, Key, Multiline and Server Connections	As for Wireline	Not generally practicable
Traffic Capacity per line	1 - 36 ccs (0.05 - 1 Erlang)	1 - 10 ccs (0.05 - 0.3 Erlang)
Economic Grade of Service	Better than 0.1 % Blocking	Typically 5-20% Blocking